

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Empowering Consumers to Avoid Bill Shock: CG Docket No. 10-207  
Consumer Information and Disclosure: CG Docket No. 09-158

**REPLY COMMENTS**  
**Submitted on behalf of Consumer Policy Solutions**  
(and the Consumer Awareness Project)  
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President

**February 8, 2011**

## **INTRODUCTION**

As President of Consumer Policy Solutions and director of the Consumer Awareness Project<sup>1</sup> and a long-time advocate of a diverse consumer interest in the communications marketplace, I appreciate the opportunity to offer these reply comments to the Federal Communications Commission (“Commission”) in the matter of empowering consumers to avoid bill shock.

With this NPRM, the Commission has raised an issue of great importance to all consumers: how to manage their wireless bills to avoid unexpected charges. A consumers’ ability to manage their wireless usage and costs is an all-important element of consumer empowerment.

As you will note in these comments, I believe that any efforts to empower consumers must be educational and informative. Quite simply, educated and informed consumers are the ones most capable of making good decisions, particularly with regard to the use of their wireless phone and data service.

## **DISCUSSION**

In the initial round of comments filed in this proceeding, consumer groups commented on the need for better disclosure by service providers of the tools they have available that help their customers manage their wireless accounts.<sup>2</sup> I agree with these consumer organizations: self-help tools can be effective mechanisms for preventing overages and other “bill shock” consumer experiences. If the Commission can work with wireless service providers to develop a more effective mechanism to inform customers about the already available tools for managing their wireless accounts it would be an important step toward empowering consumers to avoid bill shock.

The initial comments also indicate that consumers would benefit greatly from additional education about the tools made available to them to manage their wireless phone and data usage. This type of education, information, and empowerment will provide wireless consumers with a great deal of information about and control over their wireless bills.

Many phone-based and Internet tools are offered by wireless carriers to their customers. For example, AT&T, T-Mobile, and Verizon Wireless offer parental control options, plan monitoring

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<sup>1</sup> Consumer Policy Solutions is a firm centered on addressing the interests of consumers and the marketplace and its Consumer Awareness Project serves to inform and educate consumers about communications issues such as online safety and privacy, wireless consumer issues, and broadband services.

<sup>2</sup> AARP Initial Comments Summary Point, page 5: “Better disclosure by service providers of tools available for managing a wireless account, such as online resources or smart-phone apps.”

NCL, Consumer Action, CFA, and others (together “Commenters”) Initial Comments, page 6: Mobile providers should provide ongoing disclosure of usage management tools in a clear and conspicuous manner. Without clear disclosure of consumer abilities to customize their alerts and other options, such tools will have little practical value. Disclosures of usage management tools should therefore be provided at the point of sale, on a regular basis on consumers’ bills (such as via a bill insert) and via a prominent link on the front page of a mobile provider’s website....”

to limit usage, and free text alerts when family members near or reach plan limits. By initiating an effort to properly educate and inform wireless consumers, the wireless industry and the Federal Communications Commission can expand on these types of controls and make great strides to addressing some of the concerns related to consumer's bill shock experiences.

Currently, and in addition to the controls mentioned above, wireless consumers served by the major wireless carriers are also able to access numerous free tools that enable them to determine their usage and, to control what information they receive concerning their phone and data usage. All the major carriers offer Internet based tools that provide an accurate accounting of minutes and data used. This demonstrates that within the marketplace there currently is an effort to offer tools to consumers and that the industry is making a concerted effort to empower consumers.

As previously mentioned, carriers offer tools that allow consumers to monitor their phone and data usage in order to avoid bill shock. AT&T, for example, offers its Smart Controls website as a central location for consumers to manage content, control spending, increase safety, monitor time limits and avoid location-based fees<sup>3</sup>. Sprint also offers services including email notification of overage charges, especially in the event that they incur unusually high overages for the first time<sup>4</sup>. Additionally, as a tool for families, T-Mobile delivers alerts to the customer as a reminder that another line on the account has approached and/or exceeded their minutes or has chosen to opt out of receiving the alerts<sup>5</sup>. Similarly, Verizon provides a data usage calculator so that consumers can estimate the best plan for the amount of data they use and can avoid being overcharged<sup>6</sup>.

It is important to also note that these same carriers offer tools that can be accessed by consumers right from their phone. This is no small point given that we still live in time when wired Internet access is not universal, and the Internet has not been adopted by many people in underserved communities; therefore, not all wireless consumers have the option of going online on their home computer to check the status of their account.

The phone-based tools offered by many providers include text-based alerts that inform consumers that they are approaching their allotment of minutes and/or data usage. Other phone-based tools include the ability to text or call airtime free to determine the minutes and data remaining for the account.

While a consumer with access to both phone-based and Internet-based usage tools is at an advantage when it comes to avoiding bill shock, those consumers who only have access to phone-based tools remain well-equipped to avoid unwanted phone or data charges on their wireless bill. This is of particular importance for the many minority and lower income consumers who today rely on their wireless phones as their sole communications device.

## **RECOMMENDATIONS**

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<sup>3</sup> AT&T Smart Controls: <http://www.att.net/smartcontrols> Accessed February 3 2011.

<sup>4</sup> Sprint, "Sprint Customers can Manage their Wireless Usage and Keep Bills Predictable" October 3 2010

<sup>5</sup> T-Mobile: <http://support.t-mobile.com/> Accessed February 3 2011

<sup>6</sup> Verizon: [http://www.verizonwireless.com/splash\\_includes/datacalculator.html](http://www.verizonwireless.com/splash_includes/datacalculator.html) Accessed February 3 2011

In the interest of offering constructive recommendations, I offer the following three recommendations for the Commission to consider as it decides how best to proceed in the matter of empowering consumers to avoid bill shock. These recommendations each center on utilizing the FCC's power as an educator. Equally important, industry participants are called upon to deploy their resources to help educate wireless consumers and to continue to develop the technologies that will result in new innovations that will best serve consumers interests.

**Recommendation 1:** The Federal Communications Commission in tandem with the wireless service providers should inventory and assess what the industry currently offers to consumers by way of usage management and monitoring tools. An inventory and assessment of tools already available to consumers will help the Commission identify best practices and gain a better understanding of which tools truly assist consumers and which do not.

**Recommendation 2:** The Federal Communications Commission and wireless service providers should embark on a joint wireless consumer education campaign in partnership with consumer organizations, to draw attention to the Internet and phone based usage management tools that are already in existence while reinforcing the importance of reading disclosure documents provided at the outset of a new wireless agreement as well as the bill inserts that accompany wireless bills.

**Recommendation 3:** Processes must be put into place that keep existing wireless consumers educated and informed about the frequent innovations in tracking and monitoring wireless usage. The provision of wireless service is dynamic; therefore, a dynamic system to keep track of all the innovations must be a core element of any plans by the Commission and industry to educate wireless consumers. Perhaps as a part of enacting this recommendation the Commission should survey how the wireless industry currently educates and informs its customers about usage management tools.

By engaging in these educational and informational efforts by wireless carriers consumers will not only become better empowered to avoid bill shock, but will also learn ways to make the most of their wireless experience. No matter what steps wireless carriers take (or are required to take), a concerted effort to clearly inform and educate consumers regarding available tools that can assist them in managing their wireless services will help meet the consumer empowerment goal of this proceeding.

## **CONCLUSION**

While the proposed regulations in this proceeding address some of the "bill shock" consumer questions of yesterday and perhaps today, wireless technology and innovations can effectively address the "bill shock" consumer issues of both today and tomorrow. It is most important that consumers have the education and information to be able to participate in the marketplace, and to actively shop for and use the tools to help manage their wireless usage and costs. The Commission should support efforts made by carriers and other organizations to educate consumers and avoid imposing any overreaching regulations.

Thank you for the opportunity to offer these comments. I look forward to working with the Commission on these issues.